Milton Town Council Meeting Milton Theatre, 110 Union Street Monday, August 4, 2008, 7:00 p.m.

1. **Public Participation**

<u>Mike McNamara</u>: For the past 15 months, I've gotten close to the Police Department. I have been impressed with how they conduct business. A police officer's job is huge. Please think of these factors when reviewing the budget.

<u>Ellen Passman</u>: 305 Federal Street. Thank you for being proactive in tough times. I am in favor of overtime, of take home vehicles and looking at the number of employees in each department. The Town should support Council with these tough decisions. Can some of these jobs be done by Committees? The budget process should be transparent and through the workshops you can make the budget public.

Jim Welu: 30321 E Mill Run. I came here tonight to speak about the Chestnut Street sidewalk issue. At the August 7, 2008 meeting, Vice Mayor Betts discussed \$25,000 for the Chestnut Street sidewalks. I agree that any money available should be throughout the town. I believe that Rep. Carey gave the funds specifically for Chestnut Street. Mayor Post stated that after the June meeting, money for Chestnut Street. I have approximately 4,000 sq. ft. of sidewalks and I believe thee funds would cover the cost to repair. I recommend a voucher system to complete the project. Contractors have given estimates and I believe the 10 residences on Chestnut Street are in need of repair. Vice Mayor Betts: Please bring those estimates to the next Street and Sidewalk Committee meeting.

Dara Schumayer: 142 West Shore Drive. As a resident of Milton and a municipal employee, I'm not getting COLA; or a merit raise between 2.5-3.0%. I pay most of my health insurance. It is very rare for public employees to have their employer cover the employee and, even rarer that a goodly portion of their family coverage was picked up. When you're looking for money, as hard as it may be to say we're going to take something away, this may be the time to begin to look at a change in your benefit's package and maybe going to a cafeteria style of plan, where people pick and choose what benefits they want and how much they're willing to kick in for them. Thank you. Mayor Post: Dara, I appreciate that and I just want to comment on the fact of insurance; because we did do a survey of almost all the Towns in Sussex and it was very interesting; because the majority of them do pay 100%; some of them pay dental; they pay dependents; but as we move forward we have to think of Milton; we have to look at our budget; every town is different and we need to think about how we need to do things here; it's great to have it as a comparisons, as we did with many things in the budget, of what other towns do, even with take home cars and so forth. When we do this budget, we have to think about us; we're different; we're a separate town and we need to do what we think is right here; and it's not always what is popular. I appreciate your comments.

I will now close the Public Comment portion at 7:17 p.m.

- 2. Mayor Post called the Town Council meeting to order at 7:17 PM
- 3. Moment of Silence Vice Mayor Betts. All rose for a moment of silence.
- 4. Pledge of Allegiance to the Flag was said by all in attendance.

5. Roll Call Vote: C Martin-Brown, "present"; C Duby, "present"; C Hudson, "present"; C Prettyman, "present"; C Abraham, "present"; Vice Mayor Betts, "present"; Mayor Don Post, "present"

6. Additions or Corrections to the Agenda

Are there any additions or corrections to the agenda? <u>C Abraham:</u> Yes, I need to remove under New Business, a) Employee of the Quarter. Unfortunately, the Personnel Committee Meeting was changed until later on this month, so I would like to have it added to the September Meeting Agenda. Can we have a Motion to accept the agenda, as amended? <u>C Prettyman:</u> So moved. <u>C Betts:</u> Second. <u>Mayor Post:</u> We have a motion and a second. All in favor. Opposed. Motion carried.

7. Additions or Corrections to the Minutes

Are there any additions or corrections to the minutes of July 7, 2008? <u>C Prettyman</u>: I make a motion that we approve the Minutes of July 7, 2008, as presented. <u>C Abraham</u>: Second. <u>Mayor Post:</u> We have a motion and a second to accept the Minutes as presented. Any questions to that motion? All in favor. Opposed. Motion carried.

8. Approval of Written Committee Reports

You have the written committee reports in front of you. Is there a Motion to accept the Written Committee Reports, as presented? <u>C Prettyman</u>: I make a motion that the written reports for the Milton Theater, Economic Development, and the Milton Dog Park Ad Hoc Committee be accepted as presented. <u>C Duby</u>: Second. <u>Mayor Post:</u> We have a motion and a second to accept the Minutes as presented. Any questions to that motion? All in favor. Opposed. Motion carried.

9. Town Manager's Report

George Dickerson: Stephanie will pass out the complaint report, as well as the work order report. I will not delve on it too much, because the budget presentation is going to take a lot of my time later. In the complaint reports there were, as of this year-to-date 118 and we only have 4 currently outstanding. In the work order report, which is a new report which initiates at the Administrative Offices and goes to Maintenance or is directed to the streets, as it would be needed, there were 259 of those work orders and all of those have been completed; so we have none of those outstanding at this time. Just a brief comment on Memorial Park: in checking with Game Time, who Council approved as being the vendor for the playground equipment, just to mention that the new equipment will be delivered at the end of this month and will be installed within the first or second week of September. That's a positive date. Well No. 3: which you heard me report on last month, the test wells have been drilled; and the testing of that water, as there is a pumping off period of that well and some permitting procedures that go through DNREC; and, that's moving along nicely to have that completed. There is also a handout that came to Town Hall inviting all of the Milton Town Council to participate in the Milton Historical Society on Tuesday, August 12th at 1:30 p.m. This is a conservation assessment award program and every one of you should have one of those. You'll hear from me much later with regard to the budget presentation. Thank you. C Prettyman: Mr. Dickerson, is there going to be any added expenses to us for the well that they're doing, are there chemicals or what not? George

<u>Dickerson</u>: No, the actual price of doing the well, as I was given permission from Council, was up to \$100,000. It actually came in at \$79,000 and that was complete. <u>Vice Mayor Betts</u>: There is a delay in the equipment at the Park and it will not be installed by the time of the Canoe and Kayak Race, is that correct? <u>George Dickerson</u>: I think that's at the end of this month? It will not interfere with that whatsoever. <u>Vice Mayor Betts</u>: No, what I'm saying is we thought it would be here the 1st of August and it is not going to be here in time for the Canoe and Kayak Race. <u>George Dickerson</u>: There was a delay. Yes. Correct. Also, we did have a bee problem down at the Memorial Park. Anyone that had been down there with their children, they could see that there were ground bees that had made holes in the sand at the Playground. Those are ground bees and they nest in the sand; they lay their eggs there. Last Monday we had those sprayed and I don't know the results of that yet. Dustin, have you been out there yet? It sounds like it's a success. They were quite intense and they were sprayed. That cost was approximately \$400.

10. Town Solicitor's Report

Mary Schreider-Fox: I don't have a report this evening.

11. Maintenance Report

<u>C Prettyman</u>: I make a motion that we accept the Maintenance Report, as written. <u>Vice Mayor Betts</u>: Second. <u>Mayor Post</u>: We have a motion and a second. Any questions to the Maintenance Report? All in favor. Opposed. Motion carried.

12. Code and Project Coordinator/Code Enforcement Report

<u>C Prettyman</u>: I make a motion that we accept those reports, as written. <u>C Abraham</u>: Second. <u>Mayor Post</u>: We have a motion and a second. Any questions to the reports? All in favor. Opposed. Motion carried.

13. Police Report

<u>C Prettyman</u>: The monthly Police Report from June 21st through July 20th, 2008, I make a motion that we accept the Police Report, as written. <u>C Abraham</u>: Second. <u>Mayor Post</u>: We have a motion and a second. Any questions to the Police Report? <u>C Prettyman</u>: Yes, I was looking at the Police Report and, Chief, I noticed that during June-July burglaries were increasing and also I noticed that domestic squabbles are on the rise. Can you shed some light on that? Is that just due to the way our economy is? I know the burglaries are, lack of jobs, families in trouble? <u>Police Chief Phillips</u>: Families are in trouble; times are tighter and people are arguing more often, I guess. That seems to be a factor in the domestic squabbles and the burglaries are higher because you have more kids running around more and they're breaking into cars, etc. Also, there's been a decrease in DUI arrests, we're at about 8 per month, which is a very good average. <u>C Prettyman</u>: I would like to thank you and your department for keeping our town safe. <u>Mayor Post</u>: We have a motion and a second. All in favor. Opposed. Motion carried.

14. Old Business

a. Shaun Tyndall- Inclind Inc. - Website Update.

<u>Stephanie Coulbourne</u>: I just wanted to remind everyone that regarding the Town's old website, we were getting constant complaints about the way minutes were posted; the

way agendas were posted; everything was in a single line; it wasn't broken out by department. We met with Mr. Tyndall in early 2007 and we went over these ideas and suggestions that he had for the website and how to clean it up and make it more userfriendly. An agreement was signed with them in February of 2007 and Inclind tested that site for several months; introduced the test site to staff in October of 2007; and for several months we were going back and forth with the testing, making changes. The new site launched in May of 2008 and there were slight differences between the test website and the launched site. Jennifer Cornell, the Finance Director and I met with Mr. Tyndall and expressed our concerns about the changes: he went back and investigated those; made the corrections that we needed to the website; adding documents that were not there originally when the launched happened in May; then we also discussed with him the possibility of adding an internet bill pay option to the site. This is something that was new to our Municipality because we had many residents that want to pay their bills online, whether its tax bills, utility bills of that nature. Then we were receiving more complaints about the new website; locating minutes; agendas; Town Code; Town Charter and things of that nature. Now its more of a process to go through the website, you have to look in more areas for those documents, so on July 25th, Jennifer and I met with Mr. Tyndall again, to go over these concerns and to find a way to come up with easier options, so everything was loaded right on the front page. What we've done is shrunk the Mayor's welcome on there, it's all on there, but you now have buttons on the right hand side that will say Town Charter, Town Code, Minutes, Agendas, etc. and this afternoon I gave the links to Inclind so they could connect them right to those buttons and you'll have to excuse me because I'm not very technical and don't know the proper word for it. You'll be able to click right on the button on the front page and go right to the Town Charter; or click on it and go right to any ordinances or resolutions that Council has updated. Now regarding the Minutes and Agendas, that's a little more difficult for Town Staff to do, because we have to break it up by department, Town Council, Planning & Zoning, etc. Once the user is in the department they want, we've broken up the minutes by year, so you can look at all of 2007, 2006, etc. We're still working on that now. Problems have also arisen with the way that Town Staff has been posting documents to the website. If they were to put a date before the name of the document, it falls in a whole separate category, so Mr. Tyndall has offered monthly or quarterly training until staff is comfortable with getting those up to date and having everything in the proper order. We also had some problems with posting things to the Internet. So Mr. Tyndall sent one of his staff members, Mr. Payton, over to Town Hall, to figure out what those issues were and we found out that when Town Hall received a lightning strike in June, which also messed up our email system, it changed our IP address, so we weren't going directly to the Internet, as we were supposed to. Inclind does provide us with detailed billing on the website and explains everything that they are working on. The bulk of that has not been paid. There are no charges for that. Town is not charged for any extra time that he's done for the corrections that we've given him so far. I'll let Mr. Shaun Tyndall explain what they have done on their end for their testing. Shaun Tyndall: Thanks, Stephanie. My name is Shaun Tyndall and I'm the President of Inclind. Inc. located in Georgetown. As Stephanie indicated, in early 2007 we engaged in a contract with the Town of Milton to enhance some of the features that were available on the Town of Milton's

website; reface the website based on feedback received in the prior two years; and, provide additional training to the staff of the Town, so that they could manage the content more proactively. The design of the website was approved sometime in July of 2007 and our staff took it upon themselves to program all of the features into the site that needed to be developed, so that the Town would have the ability to manipulate pretty much every aspect of the website. Since the prototype of the site was available in October, its been a back and forth process of making revisions to the site; made complicated by the fact that whenever we made adjustments, we had to import data from the old website, which consists of somewhere around 900 documents, into the new website, just for testing purposes; and then we would go through another revision cycle of two or three weeks and then feedback; and then another data import. So, our initial estimate of 146 hours to accomplish the work; has turned into about 270 hours. The difference of those estimates we have not billed for, in order to make sure the Town has everything that they need to be successful and represent the Town successfully on the Internet. Our testing that was originally budgeted around 5% of that 146 hours, has increased to 10% of the 270, so around 25 hours at this point. Each time that we make a revision to the website, we have to re-import all of the data from the live website, which changes daily because Town staff are updating photos; they may be updating a document; they may be updating content on the website; so we have to import that data and then go through another testing process to verify that the changes we made across those hundreds of pages work. What has been a complicating factor recently, is that the Town has had some difficulty accessing the website from Town Hall and being able to correctly give us feedback on what they're seeing, which we've been able to send a technician on-site to address. At this point, it looks like the Town's website is averaging somewhere around 1,100 to 1,200 visitors a month. Less than 40% of those visitors are from the State of Delaware. Most of the visitors to the website are from Pennsylvania, New Jersey, New York and the surrounding Mid-Atlantic states. Only about 8-10 visitors from the Town of Milton visit the website per day. So most of the feedback that's being received and most of the visitors to the site are visiting for information about visiting the Town; moving or relocating to the Town; those sort of things. The Finance Section is the least popular and the public documents and news being the most popular. Somewhere around 500 documents per month are downloaded from the website, and hopefully, with the changes that we made in the past couple of weeks, those documents will be more readily available from the Home Page. My apologies for the reduction in size of the Mayor's introductory statement, but we wanted to be able to give more real estate to the pieces to the puzzle that were the most important. With the system that the Town has at this point, they can make any change; they can add that new button tomorrow, if they wanted to. The difficulty seems to be training and we've offered to provide monthly and hopefully it would lead to quarterly; and then slows down training to the staff that are assigned to manage the website; which is not their normal duty. Their normal duty is to serve the Town, not necessarily be a webmaster. That transition has been a little bit more difficult than I expected, but it's different in every case, because most of our clients from Dog Fish Brewery to Townsend's to the International Gem and Jewelry Show, they all come with different education; different resources to manage their website. There are three folks at our office that are Miltonian's and we hope to provide the best website we can for the

Town and continue to improve it into the future. I'm here to answer any questions that you folks may have. Mayor Post: Didn't the old website have those things to the left? You had the bars where you could just go in and there were ways to connect to the Historic Preservation Society and so forth. I've had a lot of complaints on the website in the last several months. I just hope at the same time that you are designing it, that you are looking at it as a marketing tool, so it is appealing; it is attractive; because the key is those 60-70% from out-of-town that are hitting on that; thinking about either vacationing here or moving here or so forth. The website should be very appealing. We should be using it as an Economic Development Marketing tool, just as much as anything else. I've not been in it; I'll be honest with you. I got so frustrated when I went into it a month ago but I've not been back on it. Shaun Tyndall: Where the site is deficient at this point, like even tonight's Town Council meeting isn't listed as an event on the event calendar. The home page doesn't change. It has a welcome message that never indicates that the Town has anything going on; and the Town has the control to make those changes. We've tried to put the website in the position so that if you came to the website today, or three months from now, it's going to make sense and not put additional pressure on Town staff, who have seemingly full workloads to market the website. We can assist with those things, but when we engaged in our contract in 2007, the primary objective of that contract was to give the Town more control, so they could influence their own future; not for Inclind to put its stamp on the Town. Maybe things have changed in a year, year and a half, and we can help with those things, now that we have all that control. It's just a matter of sitting down with the staff or the personnel that may be in charge of that image that the Town wants to present, whether it's a marketing firm that the Town hires, or somebody inside of the Town and assist with matching up that communication. Mayor Post: When I used to go into it, it had all that. You would see shots of the downtown; there were pictures of the Parks; there were shots of all the different things. Shaun Tyndall: Everything still exists. Mayor Post: When I was there, I couldn't find it. All I saw was black and white photos, probably 100 of them, that was fine; but I saw nothing that had that look of what it had before. I could not figure it out at all. Shaun Tyndall: All the same photography from the previous website is used again on this site. Mayor Post: The shots of the historic homes, in color, not black and white. I didn't see any of that. Shaun Tyndall: All of those things exist. The Town has control as to whether or not they present and where they present. To date I don't know if they all actually present on the website, but they are there to present. That's the sort of feedback that we can make adjustments to. It's a very simple adjustment for Stephanie or Julie or somebody to make inside of the Town. Mayor Post: I'm confused because I don't understand why it's not part of the webpage itself. Maybe that's why I'm confused, why it would be changing the listing of what events are coming up, or if there are bargains, if we choose to do that type of thing. That I can see has to be manned and I would hope with inside people. I don't understand the visual, the structure of it. All that I would think would not change. Shaun Tyndall: In the previous website, there were I think 20 photographs in the library and it randomly picked one. In the new website, it has the same 20 photos and it is not programmed to automatically pick one; it's programmed so that on the police page a police photo will show, if it's been told to show it. The control is there to make that happen, which is one of the complaints previously is only the same 20 pictures showed.

Now you have infinite control. Mayor Post: Who controls those photographs that go in there? Shaun Tyndall: The Town does. The biggest issue with the old website was that we went from zero documents on the website, to 300 or 400. At this point, we have 900 or 980, so the way you navigate that many documents, is much different than if you had 30. If I had 30 papers to show you, it would be a lot easier to find what you are looking for, then with 900. So we've enhanced the search feature, which is used a third of the time that somebody comes to the website and we've taken the documents and organized them in a way and allowed the people that manage the website to link directly to the 2008 agendas, or the Town Hall Meeting notes, so it's more specific and that's where some of the changes that we're making now, and we'll make additional changes into the future, the website is not static. It's always going to be changing. Mayor Post: So the most current ones now are available first; you had to go through the oldest, before you got to the newest before. Shaun Tyndall: That sorting has been adjusted and the searching feature of that has been adjusted, as well. C Prettyman: Mr. Tyndall, my question for you is is the training that you are talking about for the staff, what is that going to cost the Town of Milton? Shaun Tyndall: At this point, we are committing to at least six months of training; two hour sessions each month for free. At that point, we expect to be able to know if we are going to have to control more of the website, because there aren't the resources in the Town to do it, or the Town should have the control at that point. C Prettyman: Okay, then after the six months, what would that training be? I mean the amount of money, the costs. Shaun Tyndall: That would be at an hourly rate, fixed at around \$80 per hour. C Abraham: So finish in 6 months. C Prettyman: So our staff at the Town Hall should be well versed within the six months. Shaun Tyndall: We would love to have the Town Manager, the Mayor, and the people who make the decisions to tell them what to do. Let them know their options. Because there are lots of options with what you can do with the website. You can't just snap your fingers and do it. They're not used to cropping photographs every day; they're not used to putting documents on the Internet every day; so those things take time and usually its time that they don't have allotted in their normal business day. C Prettyman: Okay, then Mr. Dickerson will keep control over that. Shaun Tyndall: Stephanie has been great to work with, by the way, C Duby; Mr. Mayor, I just have one question and I think it's just been answered, but I just want to clarify. It sounds as if, when you initially said the problem is training, I wasn't sure I knew what you meant. Now, I understand. It seems to me that if everybody on the staff, and this question is probably more for Mr. Dickerson then it is for you, if everybody on the staff is getting this training, and then everybody is expected to take this on, without one person inhouse who really is the expert on this, it seems to me it's going to be a continuous problem, because I know from working in a lot of offices, unless there is one person inhouse who is a real expert, there needs to be somebody in your situation who is the expert that they can go to; which it sounds like isn't what we're paying for and isn't what we would ideally like to have. You mentioned and so did George, that that person is Stephanie. I guess what I want to be sure of is, is Stephanie getting more or better training or more sophisticated training then everybody else so that she really does become the expert for other people to go to. Is that the way it is going to be set up? Shaun Tyndall: During the project we had a few different points of contact, which lead to some confusion. We've narrowed that down to Stephanie being our point of contact,

which has made things much smoother. But, yes having that one person in the office; the issue that Stephanie described where the documents were named differently, that's because multiple people were putting documents into the system. If they had been done consistently; they are alphabetical, it's pretty obvious; it's just a matter of naming them correctly. C Martin-Brown: The last thing that you said Mr. Tyndall was the naming of the animal, so to speak, properly. I was interested when you used the word "event" and said tonight's meeting wasn't on the website. In the lexicon of government it would be in my mind "meetings" as a single bullet, and then "events" as another bullet; because I think the readership would make that difference between what is official and what is community based. Maybe what training is needed is maybe how to help people categorize what it is, before they send it to Stephanie, so she's not trying to start at ground zero. Thank you.

b. Forward Historic Preservation Ordinance to the Historic District Expansion Ad-Hoc Committee

<u>Mayor Post</u>: This is just a formal vote to send over the review and revision of the Historic District Ordinances to the Expansion Ad Hoc Committee. <u>C Martin-Brown</u>: I make a motion that we forward the Historic Preservation Ordinance to the Historic District Expansion Ad-Hoc Committee. <u>C Prettyman</u>: Second. <u>Mayor Post</u>: We have a motion and a second. Any discussion? All in favor. Opposed. Motion carried.

c. Discussion and possible vote on proposed conditions of approval for Riverwalk on the Broadkill

Mayor Post: Could we have those representing this project up to the microphone, please. And Robin (Davis) is going to speak first in regards to this. Robin Davis: As you know, on April 7th, the Council voted to approve the rezone and the preliminary master plan with an LPD for this project. There were conditions that were placed on that approval, that were recommended by Planning & Zoning and the Council itself. At that meeting, there was some discussion on these conditions. Mr. Dyer was not available at that meeting, so it was brought up that we would take these conditions, put them on paper, send them to him, and have him review them. Town Manager sent a memo to the Council Members on June 23rd; Mr. Dyer's response; and the conditions that were put on by the Council, so you could have a chance to look at it. That's what we're here tonight, to discuss. There are a few things that Mr. Dyer was asking for changes and it's up to the Council to decide whether they want to modify these conditions, or leave them as they are, or change any of the conditions. It is up to the Council to vote on that, if they see fit. There are certain things that the Ordinance does give you options to modify with an LPD. There's four things in the book, it's Section 4.8.16, Modifications of Development Standards, there are five sections and below that it gives you the basis that you use for the approval to modify these standards. As several other LPD's that we've had in Town, Cannery Village and Heritage Creek have gone through the same process that the Riverwalk and the Broadkill projects are going through right now. There were some modifications to the standards done to them, too. That's up to the Mayor and Council to decide which ones they see fit to put in or take out. Mayor Post: I'll just summarize this and see if I do this right. The one issue with concerns for the developers, the fact of the sidewalk request of extending it out to

Union Street, is the gist of his concerns. Second, is regards to the size of a parking space, instead of 10X22'; he wants 7X22'. Third, is the verbiage of the 50' wetland buffer which I need him to clarify. Fourth, is the issue of what's in the agreement, but to add that the alleys shall not be dedicated to the Town of Milton. Fifth, the total of the trees, just defining the fact of 630 trees, that 200 of those trees are provided to the Town, where 430 are designated for the development itself. Lastly, sixth, the maximum coverage percent of land cover that's required for multi-single [unintelligible]. Anyway, it's regarding the size of the percentage of the dwellings. That was his concern, because I think the two big concerns he's saving, what he is requesting were no different than what was granted to Cannery Village and Heritage Creek. Robin Davis: Yes, they are the six things that were on his list. Mayor Post: You're saying that the things that he has requested, which is what I was a little foggy on, was the fact that although I thought it would require an Ordinance change, you're saving that the LPD Ordinance gives the right for us to you said "flex" these items. Robin Davis: Yes, under Section 4.8.16 where it talks about modifications of development standards, it talks about the Planning & Zoning. They recommend the following development standard be modified; the recommendation for approval shall be forwarded to the Town Council for their consideration and final approval, denial or modification. There are five things that are eligible to be modified. Then, below that, it gives you a basis for the reasoning that you do it, or would like to do it. It talks about the basis of approval for alternate development standards; approval of alternate development standards using the LPD differences from the variance procedure described in Article 11. Article 11, you said earlier, would be a variance for regular standards, for the other. Mayor Post: Which was what I was looking at. Robin Davis: This LPD gives you the option to change it as long as you follow these basic 8 steps. 1) It talks about proposed plan development; compatibility to its surrounding properties, especially relating to landscaping, buffering, public safety, site access, on-site circulation and all free parking, lights and shadow impacts; number, size and location of signs; nuisance; architectural design of building; and, harmonious use of materials. 2) Unique characteristics of subject property. 3) Unique characteristics of proposed uses. So there are several things that you use to justify why you would like to modify the standards; which is different then what would happen in a regular variance request. Mayor Post: Whoever is representing the property, would you like to stand up and state your name? Pret Dyer: Good evening, my name is Pret Dyer. I'm a member of Chestnut Properties. With me this evening is Joe Reed. He's also a member. Our other partner was not able to make it. If you would like, Mr. Mayor, I could go through a detailed analysis of each item, would that be okay? Mayor Post: A summarized detail would be good, if possible. Pret Dyer: I'm very brief, but it might not be possible. Paragraph 5, as the Mayor had indicated, our concern was that the requirements for the off-site sidewalk would be very difficult to bear at this point, given the current condition, which I know everyone's aware of, of the real estate market, in particular. What we had maintained was if the sidewalk were in fact desired, our request was that that would be offset by, and used as part of the annexation fee, which we would be paying for the project as it was going to be annexed, and that fee would then be utilized to provide that sidewalk. Do you want to discuss each one, or do you want me to just keep going? Mayor Post: How would Council like to do this? Would you like to ask

any questions? One at a time would be the best since it would be right on our mind at that time. I think what was discussed was running a sidewalk from the VFW, pretty much out to Union Street. C Duby: And up to Country Road. Mayor Post: I didn't think it included running it down Country Road. C Duby: Our draft says the south side of Atlantic and Union to Country Road. Mayor Post: Which is the VFW; I think that's where the VFW is. Yes. C Duby: Up there and down to Union. Vice Mayor Betts: Mayor, part of that is not in Town. So we can't ask for something that is not in Town. Mayor Post: But the VFW is in Town. Vice Mayor Betts: No. Mayor Post: No? Vice Mayor Betts: No. VFW is not in Town. Robin Davis: Yes it is. Vice Mayor Betts: Is it in Town? But there's a section there that's not in Town. Robin Davis: Yes, there are two houses, I think, Mr. Sam Argo and the trailer next to Mr. Argo are not in Town. Vice Mayor Betts: All right. Joe Reed: Joe Reed, good evening. I would like to point out that we are paying, we are going to be required to overlay all of Atlantic Avenue, from Union to Country Road, and then we will also be paving Country Road out to 16, so you could take that into consideration. C Martin-Brown: While you are paving this, would you also put in the sidewalks if the cost of the sidewalk was deducted from the annexation fee? If a credit were given, so to speak? Joe Reed: Yes. I think we did propose that at one point. I think there would probably be some economies of scale of doing it that way. Mayor Post: Any other questions? Vice Mayor Betts: The only thing is if we tell everyone else that the property owners are responsible for the sidewalks, how are we going to deduct it from the annexation fees? Mayor Post: I think that's going to be a whole separate issue, because we decide on where the annexation fees go. All we are here to decide is, are we going to require you to do the sidewalk, which is an additional request. Pret Dyer: And it is off site. That would be the distinction between putting sidewalk in front of our property, which we've agreed to do. So that would be on the side which is what property owners in Town are required to do. This is off site sidewalk, which is a totally different requirement altogether. I am going on record, that in this economy, that the project will only support so many costs, so it's a great idea, it's wonderful to have, but I can tell you that the cumulative effect of requirements like this, will really deter the viability and the financial soundness of this or any other project. I really need to reiterate that, C Duby: And do we require property owners in Town, I know we require property owners and we've had all of this going on over the last few years or in the last year or so, about property owners having to repair the sidewalks in front of their houses? Do we require property owners in Town to put in a sidewalk? Vice Mayor Betts: New, new, new property. Mayor Post: New construction. C Duby: I put some new construction in four years ago and on one in the Town or at the County or anywhere else, informed me that I had to put a sidewalk in and I did not put a sidewalk in. What I wonder is, is it actually being done? It may be on the books, but no one required me to do it. Vice Mayor Betts: But it should be. C Duby: So, my question is, are we requiring other people to do it? We should be looking at that and seeing if we are consistent. That's sort of a side issue to what we're talking about and I realize that. Pret Dyer: We have no problem with the frontage that we have, putting the sidewalk there, which is exactly what you're addressing. DelDOT came in and we fought them, again, a 2" overlay, for the amount of overlay that they're talking about, is very extreme. It's the cumulative effect and the straw that broke the camel's back. Vice Mayor Betts: Mayor, I believe it was just a recommendation. Just asking the developer

would they do that? Mayor Post: And he's come back and said he's would prefer not doing that. Let's move to item no. 2. Pret Dyer: Paragraph 10: In Cannery Village, as well as Heritage Creek, there are two parking spaces required for single family detached; semi-detached and multi-family dwellings. The proposal that was submitted in Paragraph 10, states two parking spaces for single family detached, but 2-1/2 for multi-family or attached product. Again, that's a departure from what was done previously and we don't believe that there is a need. Part of the recommendation that I made for substantiating that is customarily, although that's not always the case, the attached product has a tendency to be somewhat smaller. Therefore, it wouldn't require more parking, it could require less. The other issue was there was a requirement for a larger parallel space and in Cannery Village and Heritage Creek; those spaces are 7'X22'. So that would be consistent if the recommendations were to be consistent with Cannery Village and Heritage Creek, then there would be two spaces and the precedent has been set for counting both garages and on street parking spaces, as one half space in both of the other projects, so we would ask for the same type of consideration for parking, with the Riverwalk on the Broadkill Project. C Prettyman: Mr. Dyer, I'm trying to deal with this. I'm looking at Cannery Village that you brought up with the detached garages and the parking; in this development people that have moved in are utilizing the garages for more storage and those alleys, when you go back there, those alleys are your detached garages going to be further in to give the length of a car or two to be able to park in front of that vehicle? Pret Dyer: The parking layout that I believe we have, is to the side of that. The parking spaces are not counted where the apron itself exists. The garages are counted as half per parking space and that's the way it is. Not counted as a full, but as a half. You don't have the layout. C Prettyman: Let me do this over again, in my Noble way. The house sits here; there is a space between the house and the garage; the garage when you pull up to it, the tail end of your car is sticking out into the alleyway, if you're not in the garage. I'm asking, are your garages going to be closer, since they are detached, but are they going to be closer to the home itself, so that if a car comes up or someone comes up to visit, they can have a full length parking space in front of the garage, instead of having that vehicle stick out into that alleyway. Pret Dyer: Where there is room to do that, we will accommodate that, but there is some product where by the time you put in the product and the garage, there isn't room to bring the garage in enough of a car length, to accommodate that, so in some cases it will be and in some cases it will not be possible to do that with the product layout. And again, the garage itself is being counted as a half. The space within the garage. C Prettyman: I realize that part. But I was just going around and I have been in Cannery Village; I've noticed several cars, especially on weekends when visitors are there that the vehicles are sticking out and its kind of a hazard for people that are driving through that alley, if they have their cars on a little slant. Pret Dyer: There's also a space off the alley that is not in front of the garage that would also be available for parking. A separate space. It's shown on the typical parking plan. C Duby: So how many does that add up to? Two spaces, half for the garage and half for the driveway? Pret Dyer: No, one and a half or it could add up to two if there's two. C Duby: If there's a full space between the garage and the street? Pret Dyer: But each space in the garage is a half, so if there's two, it could be one and it could be the space which is separate and apart from to have two and then you also have the availability of

the on street in the calculation, as well. C Duby: And so the space between the garage door closed and the curb, doesn't count on anything. Pret Dyer: Wouldn't count, unless it was long enough to accommodate a car comfortably, and then it could be counted. What Mr. Prettyman said is exactly correct. Mayor Post: Plus in this development, you'll have a different design than Cannery Village because you don't have those homes on the Mews that have no way to park in front of their homes, right? I think all these front, don't they? I think they all front. Pret Dyer: I think they do. I think your recollection is correct. C Duby: I have a question about this 7'X22' vs. 10'X22'. My understanding of what we were asking for in the recommendations was 10'X20' for perpendicular and 22' long for parallel, but we didn't have a width in there. Mayor Post: Well the 10' is the width. C Duby: No, that's for perpendicular parking, that's not for parallel. It just says 22' long for parallel. They're saying that their parallel spaces in Cannery Village and Heritage Creek are 7'X22', as I read that, that would meet our requirement, because we don't have a width in there for parallel parking. Pret Dyer: Ok, then that would be a clarification. Mayor Post: Right, but it would have to change as far as he's requesting 7'X20' for all. C Duby: No, just for parallel. Pret Dyer: No, just for the on street. Just for the parallel. We would not propose 7' wide for the perpendicular. You wouldn't be able to open your door. Mayor Post: I didn't think you could. C Duby: Exactly, so I don't think that's a disconnect. I think it's just numbers. Mayor Post: It's just the number wasn't in there, because it says 10'X20' and then it says 22', I think there's a number missing. C Duby: I think, all we're saying is that all parallel parking spaces be 22' long and they are seeing in here our parallel parking spaces are going to be 7X22', just like they are in Cannery Village and Heritage Creek and that, as I read it, meets our requirements. It's 22' long and that's what we've asked for. Mayor Post: Well what I'm saying though, Deanna, there is nothing about 7' in here. C Duby: That's what I'm saying. It isn't there so we're not in conflict with them. Are you saying that your intent was that the 10' be in there? Mayor Post: No, what I'm thinking is that the 7' was left out. C Duby: My understanding was that all we were asking for was 22' long. Mayor Post: Okay, then don't you think it should be spelled out in here, as well. C Duby: Not if they're saying that they are going to do 7'X22' and we're happy with that. Mayor Post: I think if we're happy, we just put 7'X22' in there, so it says it. That's all I'm saying. C Duby: I know what he's asking, and I don't think we need it. If you feel we do, that's fine with me. I don't have any problems with that. Mayor Post: I think if the width is different and I was reading this, I would assume they are both 10'. C Prettyman: Excuse me, Mr. Mayor, on page 2 where it says parking requirement on the draft, on page 2, requirement shall be for a 22' long parallel parking there. Mayor Post: But what I'm saying though, is if I was reading this, it says parking spaces shall be a minimum of 10'X20' for perpendicular parking and 22' long for parallel. I would assume that it would mean that both would be 10' wide. If you want the one to be 7', then put it in there. C Duby: Then let's just add it. Mayor Post: That's what I'm saying, and then it's clear. C Duby: So that conflict is taken care of and then we're just talking about the numbers of spaces. Mary Shreider-Fox: I can see how it can be read both ways, which is why additional clarification would be necessary; but if it was the intention to make it 7' with the requirement of parallel parking, then you should put it in. Mayor Post: I think it might have been left out by mistake. In the 50' wide, you go into a lot of detail. My understanding is the buffer is covered in the

charter. C Duby: Can we go back to the parking for just a minute? Mayor Post: Yes. C Duby: What are the conflicts specifically left in that one, in terms of spaces? Pret Dyer: Two and a half per unit is required for multi-family. C Duby: And you want it to be two, just like it is in the other project. Moving on. Pret Dyer: Should I go to Item No. 12? Mayor Post: Yes. Joe Reed: If I could add, in addition to that off street parking request that we made, I'd like a note that there are 202 on-street parking spaces provided. Pret Dyer: I did have a typo also. I said that the developer has provided exclusive parking; it was extensive parking in traffic studies. It really wasn't exclusive; it was supposed to be extensive. It sounded much better than it really was. Item No. 12: regarding the buffer. This is something that we actually did our original concept plan, which was part of the annexation agreement, we had a 50' buffer from Federal Wetlands and if you remember back then, many of you acted on that, the context of that was that that was a schematic plan; we knew we would have to make adjustments throughout the process, but it was a schematic plan, and we did a lot of study when Mr. Ager, our planner came in, and we incorporated the aspects of the adjoining project and made sure that we were in compliance or exceeding that; and we have adjusted the plan as many of you are aware, several times, to accommodate a 50' wide buffer from the State Wetlands. Now, when the conditions came out, it stated a 50' wide buffer from Federal Wetlands to lot lines and there is a difference, as you all know, between State Regulated Wetlands and there is a different line for Federally Regulated 404 Wetlands, under the Clean Water Act. If we were to have the imposition of the 50' from Federal Wetlands, then we would have to go back and redesign the entire project, so we would have to go back to pre-annexation agreement with the design and layout of the project. Obviously, that would be very difficult and what it would do, would be to bring back many of those items, and I really don't want to revisit those, but it would bring back many of the items which we originally included in the project, which were the 3-story units along the river, in order to be able to accommodate something of that nature and throughout this whole process, we think we have a plan that is very well done; a superior design; and one that I think is very pleasing to the views from inside the project, as well as across the river. Mayor Post: So what you're saying is with this one, you would want to add the word State in front of Wetlands. Pret Dyer: Yes. If it was State Wetlands. Mayor Post: "A minimum 50' wide buffer shall be established between all State Wetlands and the lot lines." Pret Dyer: Yes. And that we have accommodated. C Duby: How much of a buffer is there in your plan with Federal Wetlands, any at all? Pret Dyer: It varies because of the Federal Wetland line. We're not encroaching in any wetlands, at all. C Duby: What is the closest it is? Pret Dyer: I honestly don't know. I know that we took the second or third design; we had some lots that were actually including the wetland line and we took all of those out. I believe it was like the third design, and don't hold me to it. C Martin-Brown: I wanted to inquire and follow up on the Mayor's question, that you want to insert the word between all State Wetlands, is that correct? Pret Dyer: Yes. State Wetlands and lot lines. C Martin-Brown: The issue of 50' is not the issue; it is the issue of adding the word "State". Pret Dyer: That's correct. From the State Wetland line, which is a map line too, by the way. C Martin-Brown: Has the Regional EPA 404 jurisdiction been determined? Pret Dver: Yes it has. C Martin-Brown: It has. And it has been ruled by DNREC that the State setback of 50' is in compliance, in terms of Federal vs. State jurisdiction. Pret Dver: Well the two are

separate, if I understand you correctly. What governs is if you encroach, and again, this is my understanding of it, if you encroach within a 404 wetland, then you have a jurisdictional and perhaps a permit issue. We are not encroaching within any jurisdictional wetlands, at all. C Martin-Brown: Those that are under Federal jurisdiction? Pret Dyer: Federal or State. We're not encroaching in either. So then the question is a buffer from those lines. So what we're saying is that we've provided a 50' buffer from the State line and the two are different lines as you know. The Federal jurisdictional line, is called the "JD", the jurisdictional determination of the 404 wetland line runs differently than the State wetland line. But neither of which are we encroaching upon. So there's nothing here that would create the need for a permit from the State or from the Federal Regulators. C Martin-Brown: Basically, I just want to be real clear, what the Mayor said is a matter of the adjective being inserted, which would be the word "State"? Pret Dyer: Right, between all State Wetlands and lot lines, just the way I wrote it. Joe Reed: And to reiterate, what we're asking for there is the same treatment as the Preserve on Broadkill, the neighboring project. That's the setback that they were required to have; 50' from State Wetlands line. C Martin-Brown: I would, Mr. Reed, like to make the point though, that I do have kind of a visceral negative reaction when I hear about Cannery Village or what the precedent was, in that the state of knowledge, the state of science, the state of expectations and working between Community Developers and Municipal Governments, is an evolving dynamic and I just think it's better we stay with what is now; and what we need to do under the law, etc., and not worry about what was agreed to before; even if it's an LPD process. I just want us not have to be burdened with the past. Thank you, sir. Joe Reed: One of the reasons I did bring that up, though, is because throughout this process and the hearings on this project, being that it is adjacent to Preserve on Broadkill, either this Council, or I know on several occasions at the Planning & Zoning Commission that it was referred to as a model project, and we were essentially asked why can't you be more like the Preserve on Broadkill; they did this; or they did that; that's what we like. That's why I use it as a point of reference. C Martin-Brown: That's fair. C Prettyman: Mr. Reed, going back to this buffer, the Wells property, their property is behind yours? Joe Reed: They would be on the East of us on the Route 1 side, outside of town. It's in preservation, C Prettyman: What I was looking at, trying to see the viewpoint from the Broadkill over and I knew the Wells' property was near there and I knew it wasn't in the agriculture preservation, but I just wanted to make sure it was protected. C Abraham: My question in reference to the buffer, do you have any idea from the Town aspect, what we'll see looking across the river? Will we see the homes that you're putting in or will it remain the wooded area it is now. Pret Dyer: The 50' of protected area is within the State Wetlands, so there will be some shielding as a result, naturally occurring from that. Whether you can see the houses through the trees, I can't tell you that. C Martin-Brown: C Abraham, is that question also of concern which I've heard quite a bit about the existing trees that go between Preserve on the Broadkill and your development in other areas, although it's on your land, on your development? Is there some way that they could be considered as left standing? Or could you count them against your 430 trees. If you're going to saw them all down and replant little ones. Joe Reed: It's not wooded there along that border, really. Right down by the water it is a little bit, but along the long property line it is not. There are some scrub hedges and small trees, but

there are not any large growth trees. Pret Dyer: Quite honestly, we have formulated a plan that incorporated most, and I'm not aware of which ones we didn't, so I'll just say most, most of the recommendations that have been put forward; as you know this process has been going on for several years; we've changed the plans to accommodate a number of views. I can say that I don't like looking across at the Sewer Treatment Plant; I could make that question is, am I going to have lot owners that can see the Sewer Treatment Plant? I haven't asked that question. Joe Reed: It would be to our advantage to leave as many trees as we can, to buffer the treatment plant. Mayor Post: I'm just trying to look through this again; this thing has been going on a long time. My understanding, and I know Mr. Reed you agreed to it, was the fence between the Wells' property and your property; I just want a clear understanding that Mr. Wells was strong in a public hearing in requesting that and I want to make sure that that fence is going to be adhered to. Joe Reed: Yes. There will be a 100' wooded buffer left there, but what he had asked for and what we agreed to, it is not going to be a real elaborate fence, but a split rail fence or something. They hunt that property and he wouldn't want a kid wandering from Riverwalk over onto his property, so I thought we would do some type of split rail fence through the woods and note on there "No Trespassing". Mayor Post: So you won't mind if on Number 13, we put the fence in, because I just want to make sure of that. I know you were in complete agreement to it, whether it's a split rail or something like that; he just wanted to know there was a division line. Robin Davis: Mr. Mayor, its Number 22 on the Draft. Mayor Post: Well, I thought it was here and I couldn't find it. There we go. Okay. I was looking under 13, but it's a separate one, all by itself. Very good. Pret Dyer: I think it bears mentioning, that that buffer we agreed to 100', which is pretty substantial. Mayor Post: You did agree to the 100' and it's in there. I'm sure we can skip Number 16 rather quickly, because we'll be glad for you to own the alleys. We don't even need to discuss that from our part. Number 23, I think it was just a clarification of the total of trees, where they would be distributed. I think that's pretty clear cut. I don't think that one's an issue. Now we go to Number 24, which you can explain yourself on that one. Pret Dyer: Again, with the LPD and the TNDD (Traditional Neighborhood Development Designs) they do not lend themselves to the restrictions on maximum coverage percentages. The reason is, again, and the Mayor has touched on this in part; some of the designs, for example the way you front the house, obviously it is fronted very close to the street; in the instance that the Mayor was talking, that there were sidewalks where the houses are set on a Mew; in both cases it's consistent where the lot sizes are smaller; but again, the appointments, and I think many or all of you have looked on different avenues; for example in Cannery Village, its very pleasing to see the different angles and presentment of the homes on the lots; but, what it doesn't do is you don't have a large lot with extensive coverages that can accommodate what was presented in the chart. If it's not a Traditional Neighborhood Development Design project, then perhaps that application would be more appropriate; but, in our experience and also the experience of Mr. Ager who is a planner and really does very large projects all throughout the country; his specialty is in the Traditional Neighborhood Development Designs, and, what he has done is presented this in the same type of layout. Again, we can not accommodate those percentage requirements that were presented as recommendation. Mayor Post: I think they were presented and I think the same thing happened with the parking issue, is they were pulled from the

ordinance. Pret Dyer: They come from the Ordinance. Mayor Post: It would have been better if this would have been found out early on that this was what you were designing. Pret Dver: And the difference is exactly what you said, in a Traditional Neighborhood Development Design, it doesn't accommodate that particular standard. Mayor Post: So what you're talking about is what was included in this under Number 24a, 24b and 24c (24a under single family; 24b under semi-detached; and 24c multi-family) that first paragraph that speaks to the minimal allowable lot area. Pret Dyer: I think it would be the percentage coverage, if I remember. Mayor Post: Well each of those talk about building height, which is spelled out already in yours: stories: maximum coverage. Joe Reed: Maximum coverage. Mayor Post: Maximum coverage, the third one down. So you're addressing the maximum coverage issue. Pret Dyer: Right. Mayor Post: And what are you saying? Pret Dyer: What we're saying is that within the Traditional Neighborhood Development there isn't a maximum coverage percentage. It's what the lot will accommodate with the appropriate setbacks, which are listed on the table. Mayor Post: And that's something that people have to understand; the setbacks will determine the coverage. C Duby: So you have no problem with the setbacks that are here. Are those in agreement with yours? Pret Dyer: Yes. Mayor Post: Yes. We have now covered all of these. C Duby: Mr. Mayor, it seems to me that in each of the instances, with the exception of Number 5, about the sidewalks, there are fairly clear additions or edits that we can make that would respond to what they're asking for. In the one related to sidewalks, if we wanted to respond to them, positively, we would have to make a choice: are we going to ask them to do the sidewalks, but take it out of the annexation fees; or are we going to not require them to do it? Mayor Post: Please don't link the annexation fees to the sidewalks. That's irrelevant. If we choose to do such, we can. But at a later date. I would like to not link anything to the money coming in for the annexation fees. C Duby: That's why I asked the question. I assumed that would be your answer. Mayor Post: So all we're talking about with Number 5 is are we going to make them do it or not do it. Simple as that and then from there, we will determine, then we may do some other alternatives when we come to discuss sidewalks. I would like to keep those as two separate issues. C Prettyman: Well then, Mr. Mayor, on that I would like to make a motion that we for the property located on Atlantic Avenue further identified by Sussex County Tax Map and Partial Number 2-35-14.0-132.00, -132.01, -132.02 and -132.03 a motion to grant them... I have made a mistake and I ask to rescind this motion. Mayor Post: If the motion is going to be made that way, I think what we need is specific to the changes that are the acceptance. C Duby: I have some specific language that I would be willing to offer to C Prettyman, or offer another motion. C Prettyman: I will stand aside. I have already rescinded the motion. I will let C Duby to go forward. C Duby: I would move that in Condition Number 5 that we'd recommended, that we amend it to state that sidewalks would be installed by the developer for the length and width of their property only on Atlantic Avenue. As to Number 10, that we amend the sentence after the colon in general to read "General: Parking Spaces shall be a minimum of 10'X20' for perpendicular parking and 7' X 22' [delete long] for parallel parking exclusive as access, aisles and drives". Numbers 10b and 10c, should be amended to read "two spaces per unit". In Number 12, we will insert the word "State" between all and wetlands. Number 16, will read "all streets (excluding alleys) are to be dedicated". In Number 23, the last

sentence will read "of that 630, a minimum of 200 trees shall be given to the Town". In Number 24a, 24b and 24c, the third item in each list, which is "maximum coverage percent", will be deleted in each of those items. C Martin-Brown: Second. Mayor Post: Can we have a roll call vote? Roll Call Vote: C Martin-Brown, Votes to accept the plan, as amended; C Duby, "I vote to accept the recommended amendments to our recommended conditions of approval."; C Hudson, "I vote to accept the recommended conditions to the approval"; C Prettyman, Accept the recommendation; C Abraham, Accepts recommendations, as amended; Vice Mayor Betts, Accepts the recommendations to the approval; Mayor Don Post, I vote to accept the recommendations. Motion carried.

15. New Business

- a. Request from Tidewater Environmental Services, Inc. for temporary road closure of Chestnut Street between Church Street and the entrance to Dogfish Head Brewery. Request to complete repairs. Vice Mayor Betts: Mr. Mayor, there is a letter in each packet that tells about it; and also a map for temporary road closure of Chestnut and Church Streets; to be started probably Wednesday. The entrance of Dogfish Head Brewery is to be closed for two weeks. Truck traffic needs to be redirected during this period by the Wharton Street and Chestnut Street north of the entrance of Dogfish Head Brewery and Stephanie has stated that she has provided a copy of the letters and map to Chief Phillips and Allen. I request a vote on that. C Abraham: I make a motion that we allow the closing of Chestnut Street between Church Street and the entrance to Dogfish Head Brewery. C Prettyman: Second Mayor Post: We have a motion and a second. Any discussion of the motion? C Duby: I have a question. Where on this map is the entrance? Is it right there where that thing is drawn? Is this the entrance? C Prettyman: Where the line is. C Duby: Okay, so we're just talking about this much being closed. It's not in any of this. Okay. Mayor Post: And Dogfish Head's in agreement with this. C Duby: I'm fine. I just was unclear whether or not you were talking about a greater distance, or not. Mayor Post: We have a motion and a second. C Martin-Brown: I have a question on the proposal. Since there was an earlier discussion during the public participation about the money for sidewalks on Chestnut Street, will this area that needs to be closed and the work that needs to be done affect those sidewalks? Mayor Post: No. C Martin-Brown: Okay, thank you Mr. Mayor. Mayor Post: All in favor, say "aye". Opposed. Motion carried.
- b. Fiscal Year 2009 Budget Presentation: Mayor Post: When we begin this presentation, I do want to thank the Town employees for all of the hard work they have spent on this and I know they have spent a lot of time. We'll move forward with the presentation. George Dickerson: Good evening, ladies and gentlemen. My name is George Dickerson and I am the Town Manager. This presentation that you will see tonight has some things that I need to tell you first, before we really get started. One of those is that posted out in front of the theater, and they have been posted downtown, and we also have posted on line, is that the binders for this proposal were actually delivered to Council members on July 23rd. The Council had its first budget workshop on July 28th and that was at the Mariner Middle School and the PowerPoint presentation, presenting this to the public, is tonight and that the public hearing on this budget will be August 19th and that will be here at the

theater. On September 8, 2008, the Town Council will take under consideration and perhaps vote on the changes that will be made. The presentation tonight is not the opportunity for the public to comment on any of the issues, it's simply a presentation. On-line, if you go onto our website, you will be able to see this full presentation. We have a notebook at Town Hall, should you decide to stop in, and you can take that notebook in the foyer area and you are certainly welcome to sit there and review it and look at it at your leisure. If you want a copy, we would be happy to make you a copy, but there is a cost associated with that. For those people do not have computers, I would suggest visiting the library and you can see that on line there. We tried to cover all of these issues. The Town of Milton's Charter, Sections 18 and 28, identifies the process by which the Town Manager's responsible for preparation of the budget. This budget has been prepared following those guidelines. As all of you are aware, housing sales have dropped dramatically; certificates of deposit, money market interest rates, earning and future real estate transfer tax incomes have declined significantly; inflation, energy costs have risen over the past twelve months, which will considerably impact revenue received by the Town. These revenues projected in the proposed budget have been thoroughly analyzed and are as accurate as possible. It is important that you understand in view of this document, that you are about to see, that the staff, as well as myself, have expended countless hours in an effort to cut the expenses, as well as the review the sources of that income. At the end of the budget I presented at the budget workshop, I have included, for the Council's consideration at that time, options which will alone or by combining some of those options, cut into the deficit figure, which you will see at the end. Some of the options that were presented to Council, for their review and some comments that came out of the workshop will follow. Remember that Council can not vote at workshops; that's simply a session where Council can meet, and then they can exchange ideas, but no votes can be taken, only those comments. At the end of this presentation that Council received, I have incorporated some of the ideas that we heard at the workshop, just for consideration purposes; it does not mean that they will be incorporated into the budget. Council will want to hear, at the public hearing, citizen's comments and then they will direct me to do a final draft of this budget and it will be presented, perhaps at the September 8th Council meeting for a final vote. All of this rests with Council. Some of the ideas that I presented to reduce this budget, was to use cash reserves; anytime that you reduce the cash reserves, you're reducing your cash on hand. We are in a good financial condition and you're going to hear that figure in just a moment. Option 2, is never a popular one: increase property taxes. Option 3: reduce staffing levels in three Option 4: eliminate cost of living COLA adjustments. elimination of performance evaluation pay raises. Option 6: Health insurance benefit reductions. With the except of using cash reserves, or increasing property taxes, no single option that has been recommended, will result in clearing the deficit. However, there are always ramifications of that, which I spoke to Council about, and they are fully aware: employee morale; pay rises; health insurance; and those are seriously important to employees and morale. I think it's important to note the financial health of the Town is very good. Our bank account balances as of July 18th reflect the following: a balance of \$1.392.046.76 in checking accounts, as well as sayings accounts and \$2.370.628.71 in Certificates of Deposit for a grand total of \$3,762,676.48. The bank balances were presented to Council at the same time. With all this in mind, we will start and I will only

hit the highlight items of the administrative fees. That's where we're going to start. Administration Fees and what those items reflect. Based on the current figures, the first blue line that you see there, talks about a pay matrix. That is a performance based raise which an employee could receive, which the Council tasked approximately three years ago, that is built in and you will see that there is no increase or anyone receiving a pay matrix raise (that's a raise based on performance evaluation) in the proposed budget year. However, Council, since they had approved the matrix for both the Police Department as well as the Administrative Staff, they will actually have to take some action with regard to those. They can either: eliminate it, freeze it, or, rearrange it. The 3% COLA has been built into the budget figures that you see here. When you get to the back, it was very clear in Council deliberations at the Workshop, that this was an area that they were seriously thinking about eliminating. For all intents of purposes, it's built in here. Council salaries for all the work these people do, that's a pittance that they get. Overtime: \$10,000 due to reduced staff attendance at meetings, and we're really trying to cut those down. You don't see Bob Kerr here tonight, he's our Town Engineer; you do not see URS here, Debbie Pfiel; you see Robin Davis here, because he has played an integral part in this process tonight; you do not see Lendon Dennis here because there was no need to have him here because there were no topics in his area; and this is part of our effort to reduce those overtime costs. Any time you do a reduction, social security, Medicare those are pretty much standard. Employee Insurance Benefits: we had broken those out by department, as to what those costs were. Here's a benefit comparison of other towns, some similar in size, some not, some larger, some not so large. Of all benefits with regard to benefit comparisons in several line items, with regard to health insurance and you can see that some other towns pay 100%; some pay dental; some don't. The document that I submitted to Council was based on a 25% and a 50% cost of the employees sharing in the cost of the health insurance. That means that an employee, who is just an employee with no dependents, would always be paid at 100%. The cost of that 100%, should they be married, should they have children, would automatically go up a little bit. There is some savings if there's just a husband and wife. The highest plan is the family plan. The offsetting costs of what the individual would pay would be deducted from the amount of a family plan and then the employee would be asked, in the memo which I gave to Council, would either be 25% or 50% of that cost, being paid by the employee (we pay every other week for a 26 week pay cycle). Pension Benefits: are actually fixed. The Town contributes to those. The Town actually pays into two pension plans. There is a Police Department Pension Plan and there is another plan for Other Town Employees, who are non-police. The average cost in salaries, plus the overtime, is a 6.44% contribution the Town makes for non-police (that's why it is listed under Administrative Costs). Training & Seminars: we actually reduced that 76%, to cut those costs and any of the training that we were going to do, we actually reduced that because we said we would try to get all those that are mandatory and after the mandatory training, no specialized training. Accounting Fees: that's based on an actual estimate by the person who has been doing our audits for a number of years, that's Mr. Sombar of Sombar and Company, our accountant. Consulting Fees: are based on a projected need of services, calculated at 25% of the \$60,000 for the URS proposal, limited if we accept part of their contract. That contract is out the window and is no longer on the table and has been broken out separately. Engineering Fees: hopefully we cut about 87.5% or \$5,000

based on estimated need of services. There are no major projects we can see for the next year. We have our water facilities planned, which we had already engaged Cabe to do. That was \$24,000, of which will be paid this fiscal year, that we're in, the current budget year; and we were able to get \$12,000 of that in a grant, to offset those costs. No major projects for next year and line item is an allowance for unexpected costs. Sometimes there are just issues that come up where we have to have a survey for some reason to find some line on someone's property. Legal Fees: we figured that we can cut them down to \$30,000, based on current and projected needs of services. Line items are split between Administration and Code. Temporary Labor: sometimes we have projects. We have one going on now, where we had temporary labor from a temp agency come in and we built in \$8,000. These are unexpected needs, but sometimes we find them to be necessary during each budget year. Tax Assessment: based on current and projected use of service, now this is not a reassessment. That is not what this is for. Every year Mr. Kurt Reilly, who does our assessment for new building or new construction, goes out and assesses to see at the house and gets what those new assessments should be. This is his costs for routine through the year. This cost would be in there regardless, you'll see a reassessment figure come up in a little bit. Supplies: \$15,000 is a 48% reduction over last year. Advertising: it's very expensive; we do a lot of it at Town Hall because we're required to do it either by FOIA or public hearings that we must post, so that's kind of an expensive item for us, but we did cut that somewhat. Holiday Expense: we are at \$2,400 based on estimates of cost for still providing employees with a \$100 holiday bonus and a holiday dinner for employees was eliminated at a cost of about \$1,600. Holiday lights: based on the estimated cost for those that is a good average. Contributions: Zero. Dues & Subscriptions: we've cut that 51%. These are such things as Delaware Legal Local Governments which was a \$750 fee that we paid to them to be a member of that; Delaware Municipal Clerks Association and some other things, like notary renewals, that type of thing at Town Hall. We've cut that to bare bones. Election Expense: each year we have an election and that's the cost to pay those people that work the election, plus food for those people. That's the actual cost. Gasoline: estimated on current fuel costs, for administrative vehicles, would be \$800. Heating: \$500. Insurance: basically that is all the insurance: vehicles, buildings, properties; that is for everything that the town owns. That includes a \$3,000,000 liability policy, plus riders. Mileage Expenses: there's a 25% decrease in mileage expense, based on estimated gas usage at the standard mileage rate which the IRS has now made \$0.585 per mile. Miscellaneous Operating: reduced 17% to help cut the costs. Meetings: we still have to pay for this facility tonight. We've paid to the theater; we try to get the school whenever we can find and sometimes there's conflicts in scheduling; but those are costs associated with what we have to spend to have a place to meet. Printing & Postage: I don't have to tell anyone how those costs have gone up to. We do a lot of it. We do a lot of the billings; utility billings; boat billings; sometimes we do special mailings; and, they cost money and that's the accurate cost. The line item now is split between all departments. We did split it out for uses as to which department uses what. Repair & Maintenance Building: we cut 33% based on projected rate of use. Repair & Maintenance Equipment: we cut 16%. At \$30,000 is based on current and projected rate of use related to services and maintenance contracts. Those contracts include security, telephone, computer, equipment, that breakdown. Telephone: is based on current and projected rate of use; that's hard lines, as well as cell

phones. Utilities: same thing; based on current and projected rate of use, as well as an increase in cost. Website: decrease based on completion of most of the project. You heard from the gentleman tonight, the owner of Inclind and what he is going to provide, based on our previous contract with him. Payroll Processing: is out-sourced and has been for some time and that cost is \$5,000. Bank Fees: reduced to reflect a projected decrease in transfer tax revenue; bank fees are calculated at 1.75% of projected transfer tax income. That is billed to us because there is a processing fee that the bank charges are, and that is what this reflects. Downtown Beautification: reduced 47%. Decorations: Zero. Edmunds Software: is our accounting software and also our utility billing software; and it is based on projected program licensing and maintenance each year and a carryover of that. That admin software was picked approximately 2-3 years as the software, after an extensive search that another administration went through. Code Book: that is based on the cost of completion of the project. You've heard me speak about this. This is the codification of all of our ordinances. This is the final phase. We are expecting to get the manuscript next month, in September, to start that work process. These are the revenues that come in to offset those totals: Luther Towers was contracted; they were a non-profit organization built. Luther Towers pays a tax amount of \$2,500, that's what the property brings in. Property Tax Revenue: based on \$585,000, based on current tax year billing, plus estimated approximately somewhere in the neighborhood of 100 new homes that are valued at \$175,000, and Cathy Jacobi, who is the receptionist has been working that special project, in reconciling all of our property records to make sure that there has been proper accounting; she has been through every property record in this Town, which is quite extensive, and looking for any discrepancies or bringing those upto-date to make sure that they are accurate. Interest Income: all one has to do is look at interest rates in the market and \$50,000 based on fund and reserve and current market rates. Miscellaneous Revenues: for example, under there is fax fees, FOIA requests, copy fees, etc. Tax Penalty: figure on delinquency and collecting about \$2,000 in revenue. Transfer Tax Collections: based on about 100 new homes, based on an average of homes estimated transfer tax for the year, that fee this year would be estimated at \$397,500. Franchise Fees: that's what we get from Comcast Cable. That's the amount that Comcast Cable pays us to use our lines and right-of-ways to broadcast the cable. There's a list of the transfer tax. You can read that for yourself. Those were the 2006-2007 actuals; this is the 2007-2008; you can see that we're only short \$7,700, with two months to go and I'm sure that we will meet that projected goal for this fiscal year. The total administrative expenses represent 25% of the total expenses for the Town. The administrative revenues, coming in, \$1,058,500; we also bring in 41% of the total revenues of the Town. Streets: Salaries: I'm not going to keep repeating this. This is the same thing I mentioned in the first slide regarding the matrix. The salaries have not been increased; the COLA is built in there and I'll get to that bottom line in a while. Payroll & Taxes: they will all be affected the same. Supplies: were reduced. Miscellaneous Operating: we cut that. Repair & Maintenance Equipment: reduced 21% to help cut costs. Website: was shared across all departments because all departments share that site. Engineering Fees: cut 62% and we have nothing major going on. We have some cleanup and we have some on-going projects. Capital Expense: this is the 3rd year on a truck lease. These leases, when you see the word lease up here, let me define that for you. Ford has a creative way of financing; they call it a lease. The three year lease of a

vehicle; at the end of the three year lease, you actually buy the vehicle for \$1. So it's creative financing really. Street Revenues: there are none. Total Street Expenses: \$50,290 - 2\% of total expenses. Total Street Revenues: Zero. General Expenses: of those general expenses, Council approved donations. That \$9,500 reduced to help costs; donations to be granted, as follows: as a recommendation to Council, was the \$5,000 Fire Department and \$4,500 to Council-approved organizations that they would choose. The SRF loan is for the sewer. There was a referendum some years ago that was voted on for Rampole Branch Pumping Station, that's a new sewer pumping station that was put in. This was a result of that; it was about \$600,000 and this is the annual payment that we pay to pay off that loan. The Reassessment: the tax reassessment will be \$83,000 based on projected project costs for fiscal year 2008-2009. This is to do a reassessment project. General Revenues: there are none. The total general expenses: \$128,548 or 4% of total expenses and 0% on revenues. Trash Disposal: is based on a contract price; based on an estimate of customers and contract per unit rates, this figure has been reduced from last year's budgeted amount, despite an increase in contract price. This decrease reflects the actual number of customers in the Town. Last year's budget figure was based on estimated figures outlined in the contract; the discrepancy in the customer figures was discovered during the presentation of this budget proposal. The estimated number of customers is actually 1,169 and the price of \$14.09 which equals \$16,471.21 and \$14.09 is the second year of contract price per unit, for the 12 months, which makes the \$197,655. Trash Revenue Collection Receipts: \$205,000 based on estimated customers and fees per unit, to cover contract and administrative costs of that \$205,744. Total Trash Expenses: \$197,655 is 7% of total expenses. Total Trash Revenues: \$205,744 or 8% of total revenues. Police Expenses: salaries figure remains the same; includes no performance evaluation, which I have spoken to. The 3% salaries in COLA, I've already discussed. Overtime: reduced to \$15,000; reduced \$69,000 to help cut costs. Payroll, Social Security & Medicare: all those are adjusted automatically. Employees Health Insurance Benefits: based on the reduced price. Pension Plan: here's where the pension or the Town's portion is a little more, but the police pension is \$66,279 and the Town pays 13.82%. There is, however, money that comes back from that fund and that comes back by the way of a state law which is the 1/4 of 1% of all insurance premiums are actually collected, sent to the Treasurer's Office, there's a counting of sworn police officers in the State, and then that money is evenly divided through there and that's the estimate and calculation for next year. Training & Seminars: have been cut, hopefully to hold down some of those costs. Supplies: same thing. Advertising; Dues & Subscriptions: Uniform Cleaning; and Fuel Oil Heating. Gasoline: based on take home cars, which our only issued to essential employees, which in this scenario that I have given here is the Chief and the Lieutenant. Miscellaneous Operation: reduced 74% to help cut costs. Printing & Postage: always somewhat high. Repair & Maintenance Auto: Repair & Maintenance Buildings: most of the major renovation to the Police Department has been made. There are other things that the Chief would probably like to do down there, and needs to be done, but we've cut that this year, just to save costs. Repair & Maintenance: \$6,000 based on current projections related to service and maintenance contracts is what those apply to. This is a comparison of take home cars, a comparison which Council had an opportunity to see. It talks about Chief, 2nd Command. other police and it evens lists Town Manager, Code Enforcer, Public Works Section and

there's other towns and whether or not those individuals are allowed to take home cars. That's a break out of that information. Telephone: based on current and projected rate of use. We do receive reimbursement from the State to help off-set some of the costs; we also had a recent meeting with our Verizon Representative and we think we're going to be able to lower that somewhat. Uniforms: reduced 61%. Utilities: website was spread across everyone, as I told you. Capital Expense: Police Car No. 4 is in its 2nd year of its lease, \$10,000 based on the actual lease. Car No. 3 is in the 3rd year of its 3 year lease, which will be the final year. When that lease is completed next year, we can buy that car for \$1. Police Revenues: Grant receipt pension, we get approximately \$45,000 to offset those costs which is a State of Delaware law with regard to Police Officers. Fines: projected at \$30,000. Miscellaneous Revenue: based on current estimate. Reports: will actually reduce revenue to a minimal amount received that we get in that line item. Police Total Expenses: \$784,141 or 27% of total expenses. Total Police Revenues: \$76,500 or 3% of total revenue. Parks Expense Salaries: same thing applies there. That's just a spread across everything. COLA: still the same. Park salaries make up approximately 17% of the total Maintenance Salaries. Payroll and Social Security: are adjusted automatically. Supplies: reduced. Milton Memorial Park: there was a \$7,500 line item created to track maintenance of the parks, times the guys spend out there; a lot of watering, cutting grass, lots of things done out there. \$5,000 allotted for Milton Memorial Park and \$2,500 for Mill Park. Miscellaneous Operating. Revenue Maintenance Equipment: reduced 40%. Website: another \$500 there across all lines. Engineering Fees: we cut 84%. We do not predict any large amount of fees in that area. There may be some fees of approximately \$3,500 on projected costs for fiscal year for Phase II of Memorial Park Renovations. Concert in the Park Expense: that's really an in and out. We collected nothing and when I get to the revenue side you'll see it. \$7,000 we actually expensed for the bands that play in the Park and we received about that in donations. Park Upgrade & Repairs: the second phase of the Park at \$85,000, based on estimated costs to complete Phase II of the Park. Capital expenditure: RV watering vehicle has pretty well been cut by Council in the Workshop, not officially voted on, but for all intents and purposes they do not want that vehicle. Capital Expense: lawnmower. This has not been cut. We are working with a ten year old lawnmower that's on its last legs and hopefully we can get this lawnmower. Parks Revenue: Grant Memorial Park. We had submitted a grant based on what we spent on the current project and feel very confident that we are going to get \$85,000 estimated grant receivable from the State for reimbursement for what we spent on the Memorial Park upgrades. Donations: as I say, that is an in and out. That's \$7,000, based on donations received. Boat Dock Rentals: is that amount for the number of slips we have. Revenue Reserves: \$15,000 reserves to be used for the purchase of a new lawnmower. We're going to pull the \$15,000 out of cash reserves to pay for that lawnmower. That's where the money is coming from. Total Parks Expense: \$173,862 or 6% of total expenses. Total Park Revenues: \$110,600 or 4% of total revenue. Code Expense. Salaries: \$81,399 based on figures. Line item accounts for no performance evaluation pay raises and a 3% COLA. Overtime: \$1,500 based on current and estimated use. Payroll, Social Security: remains the same. Employee Insurance and Healthcare: you'll understand it a little better when I get to the end of this presentation. Pension: is what it is on the line item there. Training & Seminars: we cut that a lot. Consulting Fees: based on current and estimated use, in Code. That is actually

where URS, Debbie Pfiel, who you see at these meetings, as well as any members of Planning & Zoning or Historic Preservation, you will actually see her at those meetings and consulting fees and URS is also the one that is working for the comprehensive plan update. Engineering Fees: have been cut 38% based on current and estimated use. Building Plan Review and Inspections Fees: \$36,000 reduced \$11,000 to reflect the decrease in the projected number of homes that would be inspected. Legal Fees: \$30,000, based on estimated rate of use. Line item is now split between Administration and Code. Meeting: \$750 calculated based on meetings possibly held at Library. This includes an allowance for meetings that must be held elsewhere. Supplies: cut that by about 50%. Advertising. Gasoline: cut 27%. Mileage: was reduced to almost nothing. Printing & Postage. Repair & Maintenance Auto: 25% cut in Repair & Maintenance. Telephone. Uniforms. Website. Capital Expense: that's for the truck in Code, based on actual annual lease costs. Code Revenues: Code Violation Fees: \$500. License: \$45,000. Reduced because probably decline in the country. We did not go too aggressive there, because we figure that some businesses and especially with our contractor's, may not be renewing their licenses. Building Permits & Signage: you see that figure \$275,000, reduced to reflect decrease in building permits and estimated new homes for next year. Zoning Variance Requests Professional Fees: due to a downturn in the housing market. Total Code Expenses: \$275,338 or 10% of total expenses. Total Code Revenues: \$382,500 or 15% of the total revenue. Water Expense: Salaries: same thing as before. COLA: Overtime: Payroll: Medicare: Employee Benefits: you'll see a better picture of that shortly. Pension Costs: Training & Seminars: Engineering Fees: Supplies: These are based on current inventory, estimated use of approximately \$9,000. Water Tests: Advertising: License Fees: All of these have been reduced based on current and estimated use. Equipment Rental: Gasoline: Chlorine: the jump in that Allen tells me that the chlorine actually went up, it's almost doubled in price that we use to treat Printing & Postage: now split between our water. Miscellaneous Operation: departments. Parts: based on current. Propane: we use that in some of our pumping stations. Repair & Maintenance Water Tower: this is an annual contract to either paint one of our water towers each year or keep up with the maintenance that's needed for our towers. Repair & Maintenance Autos: Building Repair for Hydrants & Pumps: Repair & Maintenance Equipment: based on estimated need. Repair & Maintenance Water Mains: Telephones: Uniforms: that's a contract we have with Unifirst. Utilities: there was an upgrade to our water department at the same time the referendum was held, approximately 3-4 years ago; with regard to upgrading some issues with regard to our water plant; this is the annual payment for that upgrade cost. The original amount of the Note is somewhere around \$450,000. Website: Bank Fees: Truck Lease Payment: this is an annual payment; bought last year; this is just another lease amount, the same as the police cars were. Capital Expense: Radio Read Meters: we are on Phase III. The final phase of this, the \$55,000 was based on the estimate to complete the project. Final phase allows us to go, if Council would decide, we could go to monthly billing to help offset the costs for elderly people who may have a problem sometimes; we're experiencing this now with those who can't pay quarterly, they can perhaps for budgeting purposes could pay a monthly; would help them a little bit; and, also would keep the revenue stream for the Town on a monthly basis. Water Revenues: Utilities: \$432,470 estimated fiscal year revenue. Tapping Fees: based on current and projected revenues; this would be the fee

recovered for hooking into the water line. Sale of Meters; based on current and estimated revenues, based on \$625 fee chart change; upon Council approval; if they choose to do that. Impact Fees: for water, that's new hook-ups. That's what we would project. Disconnect Fees: Inspection Fees: Interest Income: bank funds and revenue in reserve. Miscellaneous Revenue: revenue reserves are \$55,000 would be used for the Radio Read Meters Installation Project. Total Water Expense: \$470,511 or 16% of total expenses. Total Water Revenues: \$688,870 or 26% of the total revenues. Municipal Street Aid: Municipal Street Aid is based on a calculation of the actual length of the streets in the Town of Milton and comes to us in Grant form from the State. The formula is the length of the streets and it's based on population. Those two items are used in a formula that calculates how much we get; what we are projected to get this year, because we actually have a letter from the State, is the \$66,000 that you see there. C Prettyman, help me with SWTA, that's Students Working Towards Achievement. The local schools have a project each vear where teachers can work and earn extra income, if you will, by helping children in certain areas. That's not a SWTA, like a SWTA Team for a Police Department. This is a SWTA to help children and we are used as a Town, as a vehicle, by which the money comes into us from the State and it is disbursed by us. So it's no income for us, it's simply an in and out. I thought it was worthy enough to let you know what we get. Total Expenses: last year to this year you can see the proposed is \$2,875,587. Total Revenues: \$2,611,523. It gives you a deficit, that's a negative figure of \$264,064. The options that I started out telling you about here is: use cash revenues to offset it; use any portion of cash to offset, any amount of the \$264,064 Council could choose; increase property taxes; reductions of staff levels in three departments; elimination of employee COLA; elimination of Performance Evaluation; elimination of pay raises; health and insurance reductions. Budget Cut Options: approval of all of this is required by Council. To break it out and make it simple, on the left up to the top, third line down, you have 25% insurance option (that is if the employee would be required to pay 25%) or 50% of the insurance (on the other side of that, would be passed on). You can see that the amounts there based on the 25%, as well as the 50%, will vary down to the bottom total. The significant difference is there. You can see for yourself. At 25%, it would save the Town \$25,000; at 50%, it would make it \$51,000. Police Vehicles going to a fleet: would be projected to use about \$3,000, in a 5-vehicle rotation. Eliminate police position: that's what it would reduce, on each side. Eliminate project coordinator position and eliminate a maintenance position: those are the savings which total down to the bottom there of the \$191,000, as well as the \$216,000. This is a simple pie chart. The percentages that I talked about on the expense side, of where the expenses go, based on a breakout of departments. This is the revenue that's taken in the same way; the revenue of all departments. Now, these are the highlights of the Town Council Workshop Meetings: July 28th at Mariner Middle School. These were items and topics that were discussed. Since the Council could not vote on any of these, it was a workshop, these are topics of discussion, but for purposes of incorporating it tonight, so that Council can see these things that are highlighted; as well as what we did; we listened to those minutes and we've broken those out so that everyone could see: 3% COLA, what that savings would be; as I go down the list there, you can see the significance of the RV watering vehicle taken out; these are things that would be coming out; telephone, where it's split out and C Prettyman wanted to see how the telephones were split out and we did

We did costs for Administration; Police; Code; Water; Administrative Overtime; Consulting Fees; what those are and each department where they were expensed. The total decrease, after you get through all of the things that were discussed and you break those out as clear as you can, the total decrease with a 25% Employee Benefit is \$149,700; the total decrease with a 50% Employee Benefit is \$175,404. Suggested items to increase: there was also talk about decreasing some things and then there were discussions where we talked about, where we'd like to see this put back in because we don't want to see them taken out, such as: take home cars, overtime, police training, and water rents. Total increase of these items with police overtime out; and we broke those out based on what you told us, as best we could, as to what those total savings would be in each area. At the request of Council: the water department; cutting capital expenses on the radio read meters (some thought that instead of doing the final phase and taking the \$55,000 from cash reserves; just cut that in half and do \$27,000. This amount will not affect the budget deficit, due to it being offset with revenue reserves, thus, revenue reserves within the water department wouldn't equal the \$27,000, instead of the \$55,000. That would be a wash); telephone lines (this is a breakdown between hard lines that C Prettyman wanted to see, as well as cell phone use). Please keep in mind that if we do receive Grant money from Rep. George Carey or Sen. Thurmond Adams, who have been very generous to us, there will be a water tap expense that needs to be included; and, the street paving cost, however, there will be no net change to the budget figures; even though we get it and its wonderful to get it because it is specialized, it is not going to change this budget one penny. The redline items, this is actually the proposed fee schedule for the Town; there are some additions and simple clarifications which appear on here and I won't insult you by reading them. You've been given a copy of a CD vs. a paper copy. The quarterly billing for water is a formula and I'm going to have Jennifer Cornell, our Finance Director, explain that as to a class that she and Allen went to. Jennifer Cornell: Allen and I attended a class recently which focused on setting water usage rates within the Town. In this class, there were several methods described to us. They included: a flat rate; a uniform rate; a minimum rate (which would then include a volume on top of that). We currently use the minimum, plus volume; so any calculation we use is in keeping with that same method. This method is the most economical for the Town. It provides for a consistent availability rate which we've kept at the \$35 for in-town residents; and then the usage rate is based on a certain figure per 1,000 gallons. Currently the rate is \$2 per 1,000 gallons. During the class we learned, basically, that the water rate should provide a full cost recovery for the water department expenses. Currently that's not the case. I looked at some historical data: water usage per year for the Town residents; an average water department budget; current residents in the Town who are receiving water services. Based on those calculations, we came up with this new figure of \$3.36 per 1,000 gallons. This figure also includes a 10% reserve figure on that water usage. The reserve figure would allow the Town to set up an account to fund unexpected capital expenditures. Recently we had a well go down; this reserve would prepare us for something like that. During Workshop there were several questions asked concerning this formula. It was proposed that we reduce the reserve rate; maybe cut that in half. I did that calculation and it would reduce the water usage fee to \$3.21 per 1,000 gallons. We worked the formula several different ways and that's basically what we came up with. The main point of the class we attended was to ensure

that the usage rate would cover the water department's costs. You'll see in the water revenues there are several other types of income, including impact fees. Those impact fees can not be used to support the operational costs of the water department. They are limited to capital expenditures, so we need to ensure that we are able to cover the costs completely, with the water usage. George Dickerson: Thank you, Jenn. Ladies and Gentlemen, that concludes the proposed budget for 2008-2009 presentation. As I said, just to give you a reminder date, the public hearing for this will be in this theater on August 19, 2008. Thank you. C Martin-Brown: I would like to have it in the record that because of arrangements made a year ago, I was not able to participate and be present at the Council Workshop on this budget; therefore some of my interventions that I would like to make at some point, are not reflected in the summary of the Workshop, and I would like to have your guidance as to when I could make those comments. Thank you, sir. Mayor Post: We're going to have the public hearing and we're going to have another workshop. C Duby: Are we going to discuss this at all tonight? Mayor Post: I think it was just for presentation; then following the public hearing; then we're going to add another Workshop; it was not the date I believe that was discussed at the previous Workshop. My problem is, is I'm in Atlanta. I'm going to miss the hearing and I'm going to miss the Workshop, so I would prefer not missing both and I can not change the trip to Atlanta because I'm required to be there; so I would prefer if I miss the public hearing, that I don't miss the Workshop. So I'm asking for the Workshop to be rescheduled for the following week. C Duby: Can we get a copy of the listing we made of the compilation of our comments at the Workshop? George Dickerson: I'll get it to you. Everyone can remember also there will be a notebook at Town Hall that anyone can come in to look at. that will have this entire presentation in it. If you want copies, we charge you for copies. I'm sorry, but it will be available for you. In the morning, as soon as Stephanie can do it, this whole presentation that is here tonight, including those Workshops that the Council had, will be on-line, as well. C Prettyman: Thank you, Mr. Dickerson.

<u>Mayor Post</u>: We need to go into a quick Executive Session. <u>C Abraham</u>: I make a motion to go into Executive Session. <u>Vice Mayor Betts</u>: Second. <u>Mayor Post</u>: All in favor. Opposed. Motion carried. We're going into Executive Session at 9:38 p.m.

- 16. Executive Session: Discuss Land Acquisition, Litigation and Personnel: <u>Vice Mayor Betts</u>: I make a motion to come out of Executive Session. <u>C Abraham</u>: Second. <u>Mayor Post</u>: We have a motion and a second to come out of Executive Session at 10:14 p.m. All in favor. Opposed. Motion carried. <u>C Duby</u>: I would like to move that the Council reject the real estate offer discussed in Executive Session. <u>Vice Mayor Betts</u>: Second. <u>Mayor Post</u>: We have a motion and a second. Any questions to the motion? All in favor. Opposed. <u>C Martin-Brown</u>: Opposed. <u>Mayor Post</u>: Motion carried.
- 17. Adjournment: Mayor Post: Can we have a motion to adjourn. C Duby: So moved. Vice Mayor Betts: Second. Mayor Post: We have a motion and a second. All in favor. Opposed. Motion carried. Adjournment at 10:15 p.m.